

Trading update

4 November 2015

for the three months and nine months ended 30 September 2015

PPHE Hotel Group, which together with its subsidiaries (the "Group") owns, leases, develops, operates and franchises full service upscale and lifestyle hotels in major gateway cities and regional centres, predominantly in Europe, is pleased to announce its trading update for the three months and nine months ended 30 September 2015.

Performance during the quarter ended 30 September 2015

- Total revenue increased by 9.7% to €79.8 million (three months ended 30 September 2014: €72.8 million). On a constant currency basis, revenue increased by 3.8%.
- RevPAR increased by 12.1% to €138.4 (three months ended 30 September 2014: €123.5).
- RevPAR growth was driven by a 13.1% increase in average room rate to €155.5 (three months ended 30 September 2014: €137.5). Occupancy decreased by 80 bps to 89.0% (three months ended 30 September 2014: 89.8%).

Performance during the nine months ended 30 September 2015

- Total revenue increased by 11.4% to €220.8 million (nine months ended 30 September 2014: €198.1 million). On a constant currency basis, revenue increased by 3.8%.
- RevPAR increased by 12.4% to €126.1 (nine months ended 30 September 2014: €112.2).
- RevPAR growth was driven by a 10.5% increase in average room rate to €148.4 (nine months ended 30 September 2014: €134.3). Occupancy increased by 150 bps to 85.0% (nine months ended 30 September 2014: 83.5%).

Post period events

- The interim dividend of 10.0 pence per share was paid on 8 October 2015.
- Signed long-term hotel management agreement to operate a 160-room art'otel, as part of the Battersea Power Station development, scheduled to open in 2019.

Ongoing investment in hotel portfolio

We are continuing to invest in the expansion and improvement of our hotel portfolio. Our development pipeline includes some exciting new hotels in strong markets. The construction of three new hotels (Park Plaza Nuremberg in Germany and Park Plaza London Waterloo and Park Plaza London Park Royal, in the United Kingdom) and the construction of the extension and reconfiguration of Park Plaza Riverbank London are all on track to open during the second quarter of 2016 and we expect these hotels to add significant value to our Group.

Over the next few years we are investing significantly in extensive renovations across our different operating regions and, as previously announced, these may have a negative impact on our performance due to temporary closures of rooms and public areas whilst works are underway. However, the Board believes that this investment will have a positive impact on our long-term performance.

We remain focused on revenue generation and providing exemplary service to our guests.

Commenting on the results, Boris Ivesha, President & Chief Executive Officer, PPHE Hotel Group said:

'We are pleased to report another good performance, with revenue for the quarter increasing by 9.7% and RevPAR by 12.1%. This growth was the result of continued strong demand in our markets leading to increased average room rates, and the strong Sterling to Euro exchange rate.

Post period end we were pleased to announce the signing of a hotel management agreement for an art'otel in London as part of the prestigious Battersea Power Station development. Our development pipeline for London now includes four new hotels and one extension and reconfiguration, adding to our current inventory of more than 2,300 rooms.

Based on our performance to date and the outlook for the fourth quarter, the Board expects the full year results to be in line with its expectations.

Unaudited key financial statistics for the three months ended 30 September 2015

for the three months ended 30 September 2015

	Reported		% change ¹
	Three months ended 30 September 2015	Three months ended 30 September 2014	
Total revenue	€79.8 million	€72.8 million	9.7%
Occupancy	89.0%	89.8%	(80) bps
Average room rate	€155.5	€137.5	13.1%
RevPAR	€138.4	€123.5	12.1%

for the nine months ended 30 September 2015

	Reported		% change ¹
	Nine months ended 30 September 2015	Nine months ended 30 September 2014	
Total revenue	€220.8 million	€198.1 million	11.4%
Occupancy	85.0%	83.5%	150 bps
Average room rate	€148.4	€134.3	10.5%
RevPAR	€126.1	€112.2	12.4%

¹ Percentage change figures are calculated from actual figures as opposed to the rounded figures included in the above table. Unless otherwise indicated, all figures in this report compare three or nine months ended 30 September 2015 with the same period in 2014. All financial information in this report for total revenue, reflects PPHE Hotel Group's controlling interest.

Trading since 30 September 2015

Trading since 30 September 2015 has remained encouraging. The fourth quarter of the year is usually our strongest trading period and we expect the Company's full year results to be in line with the Board's expectations.

Forward-looking statements

This trading statement may contain certain "forward-looking statements" which reflect the Company's and/or the Directors' current views with respect to financial performance, business strategy and future plans, both with respect to the group and the sectors and industries in which the group operates. Statements which include the words "expects", "intends", "plans", "believes", "projects", "anticipates", "will", "targets", "aims", "may", "would", "could", "continue" and similar statements are of a future or forward-looking nature. All forward-looking statements address matters that involve risks and uncertainties. Accordingly, there are or will be important factors that could cause the group's actual results to differ materially from those indicated in these statements. Any forward-looking statements in this interim management statement reflect the group's current views with respect to future events and are subject to risks, uncertainties and assumptions relating to the group's operations, results of operations and growth strategy. These forward-looking statements speak only as of the date of this interim management statement. Subject to any legal or regulatory obligations, the Company undertakes no obligation publicly to update or review any forward-looking statement, whether as a result of new information, future developments or otherwise. All subsequent written and oral forward-looking statements attributable to the group or individuals acting on behalf of the group are expressly qualified in their entirety by this paragraph. Nothing in this publication should be considered as a profit forecast.

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Notes to Editors

PPHE Hotel Group Limited is a Guernsey registered company and through its subsidiaries, jointly controlled entities and associates, owns, leases, operates, franchises and develops full service upscale and lifestyle hotels in major gateway cities and regional centres, predominantly in Europe.

The majority of the Group's hotels operate under two distinct brands, Park Plaza® Hotels & Resorts and art'otel®. The Group has an exclusive licence from Carlson, a global privately held hospitality and travel company, to develop and operate Park Plaza® Hotels & Resorts in Europe, the Middle East and Africa. The art'otel® brand is fully owned by the Group.

The Group has a minority ownership interest in the Arenaturist group, one of Croatia's leading hospitality companies.

The portfolio of owned, leased, managed and franchised hotels comprises 38 hotels in operation offering a total of more than 8,300 rooms. The development pipeline includes four new hotel projects and one hotel extension and reconfiguration. These developments are expected to add over 1,000 rooms to our portfolio by the end of 2016 and an additional 500 rooms by the end of 2019.

Our Company:

www.pphe.com

Our Brands:

www.parkplaza.com

www.artotels.com

www.arenaturist.com

For images and logos visit www.vfmii.com/parkplaza